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Whitman, Poizner deeply distort CalWORKs picture

By Frank Mecca

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Throwing punches at families who receive welfare may be a good way to score cheap political points, but it won't do anything to improve the lives of people in our state.

The false allegations that gubernatorial candidates Meg Whitman and Steve Poizner have made about CalWORKs – California's welfare-to-work program – are not only flat-out wrong, they're deeply disappointing. Californians deserve better from two people who want the job of leading California out of the worst economic crisis in three generations and the worst state budget crisis ever.

Even a cursory look at some of the claims lodged by the two declared gubernatorial candidates shows their representations of California's welfare-to-work system are misinformed at best. At worst, these false allegations represent a shameful political attack on families who turned to human assistance programs to help keep themselves above water as the recession battered the housing, job and stock markets.

Both candidates claim California is assisting too many people, with grants that are too high, and that not enough CalWORKs participants are working. Those statements come from invalid cross-state comparisons, ignore research that shows California's model is successful and are based on a federal measurement system that even Gov. Arnold Schwarzenegger has discounted.

California's system appears to serve more people than other states because CalWORKs continues supporting low-income working families as they transition to self-sufficiency, reducing grants gradually as incomes go up. These are families working lower-wage jobs that simply can't make it on their incomes alone but want to move their families out of poverty. States like New York do something similar, by using their federal welfare funds for state tax credits for 1.3 million low-income working families, but those families are not counted in New York's "official" welfare caseload.

Grant amounts are far from oversized, and arguments that they are too high ignore the high cost of living in California and the fact that other states provide significant housing subsidies not provided by California. California's maximum monthly aid payment for a family of three covers just over half of the fair-market rent for a two-bedroom apartment and only brings the family's income to 45.5 percent of the federal poverty level. Further, the purchasing power of CalWORKs grants has

significantly declined. Today's grants are lower than they were 20 years ago in real dollars and today can buy about half of what they could in 1989.

Finally, most adults in CalWORKs are required to work but are not counted as "participating" under a flawed federal measurement system that fails to credit legitimate work-readiness activities and excludes part-time work, just two of the measurement system's many flaws. These working participants, who have little control over work hours and schedules, may not get enough hours to consistently meet the measurement rate each month.

Whitman and Poizner argue CalWORKs is a budget-busting program, but it has actually contributed \$12 billion to the state budget since it began, as welfare dollars have been shifted to other state programs. What Californians haven't heard from the candidates is that CalWORKs brings \$3.9 billion in federal funds to the state, boosting our economy with \$7.1 billion in economic output, 137,000 private and public-sector jobs and \$130 million in sales tax revenues.

Both candidates also ignore the fact that CalWORKs is a successful example of a bipartisan agreement that meets the goals of getting people to work and helping poor children. Since CalWORKs was enacted in 1997 with Republican Gov. Pete Wilson's signature, caseloads have dropped by 41 percent. And research has borne out what that bipartisan group of legislators believed: A model coupling strict work requirements with work incentives, services and a safety net for children has the best outcomes for family earnings, poverty reduction and child well-being.

Poizner's and Whitman's proposals would undermine these services for poor children, likely increase poverty and do nothing to put people to work. Their ideas come at a time of dramatically increased unemployment, poverty and homelessness for families with children – a time when we most need a program like CalWORKs.

A healthy debate about what services government should provide and at what cost is a vital part of our democracy. But the discussion must be based on facts, not distortions or misrepresentations. No matter what party the next governor represents, he or she will take office as California tries to recover from a devastating economic meltdown. As the state contemplates solutions to avert this crisis, Californians deserve to have all the facts.